

STEPTOE & JOHNSON LLP

ATTORNEYS AT LAW

1330 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20038-1788(202) 428-3000
FACSIMILE: (202) 428-3902
TELEX: 88-8803STEPTOE & JOHNSON INTERNATIONAL
AFFILIATE IN MOSCOW, RUSSIATELEPHONE: (011-7-501) 258-5250
FACSIMILE: (011-7-501) 258-5251PHOENIX, ARIZONA
TWO RENAISSANCE SQUARETELEPHONE: (602) 257-5200
FACSIMILE: (602) 257-5208SARA BETH WATSON
(202) 428-8460*Capital
magnetic***CONFIDENTIAL
FOR SETTLEMENT PURPOSES ONLY**

September 12, 1996

VIA TELECOPY

Damaris Cristiano, Esq.
Assistant Regional Counsel
Office of Regional Counsel
U.S. EPA - Region II
17th Floor
290 Broadway
New York, New York 10007-1866

Re: SCP/Carlstadt De Minimis Settlement-- Capital Magnetic Products

Dear Ms. Cristiano:

Capital Magnetic Products ("Capital Magnetic") is a member of the Cooperating PRP Group and has indicated its interest in participating in the de minimis settlement. The information in this letter is submitted for purposes of settlement only. Capital Magnetic initially indicated that it would participate in the settlement based on a waste-in allocation of 16,150 gallons. This amount previously was reported to EPA and corresponds with Capital Magnetic's understanding of the material it sent to the site. However, the Cooperating PRP Group's allocation consultant has added an additional 8,708 gallons to Capital Magnetic's waste-in allocation. This additional gallonage is based on four shipments totaling 17,417 gallons that were identified as unknown. The Cooperating PRP Group allocation consultant assigned one-half of that volume (8,708 gallons) to Capital Magnetic's waste-in amount at SCP/Carlstadt. There is no confirmation that these 8,708 gallons were received at SCP/Carlstadt.

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Without conceding liability for the additional gallonage and for purposes of allocation in the context of this settlement only, Capital Magnetic is willing to accept responsibility for 24,858.5 gallons (16,150 plus 8,708 (one-half of the unknown volume)).

Yours truly,



Sara Beth Watson

cc: Elizabeth Yu, Esq., Department of Justice
Rich Puvogel, EPA Region II
William Warren, Esq.
Thomas McLaughlin, Esq.